# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Evergy Missouri West, Inc.	)	
d/b/a Evergy Missouri West's Request for	)	File No. ER-2024-0189
Authority to Implement a General Rate	)	
Increase for Electric Service	)	

## ORDER ACCEPTING STAFF'S REPORT ON FIFTH PRUDENCE REVIEW

Issue Date: January 14, 2025 Effective Date: February 14, 2025

On June 28, 2024, the Commission's Staff filed Notice of the Start of the Fifth RESRAM Prudence Review of Evergy Missouri West, Inc. d/b/a Evergy Missouri West (EMW) for the period January 1, 2022, through December 31, 2023. On December 18, 2024, the Commission's Staff filed its Report. Staff found no evidence that EMW's management of renewable energy standard compliance costs during the most recent review period was imprudent.

Commission Rule 20 CSR 240-20.100(6)(A)26 requires Staff to file a notice of the commencement of a prudence audit and to file its recommendation no later than 180 days thereafter. Pursuant to the same rule, other parties to the case have 190 days after initiation of the prudence audit to request a hearing. The rule requires the Commission to issue an order no later than 210 days after the staff commences its prudence audit if no party to the prudence audit proceeding requests a hearing within 190 days of the Staff's commencement of the audit. No party has done so. Therefore, the Commission may now consider Staff's report and recommendation.

Staff's report states the Commission first authorized a Renewable Energy Standard Rate Adjustment Mechanism (RESRAM) for what was then GMO (now operating as EMW) in File EO-2014-0151. The report states that Staff reviewed the following major cost categories included for recovery in EMW's RESRAM:

- Solar Rebates Costs associated with the payment of solar rebates to participating customers.
- Contractors Administrative costs for contractors employed to administer the solar rebate program and third party contractors employed to randomly audit solar installations.
- Renewable Energy Credits (RECs) Costs associated with the retirement of RFCs
- Solar RECs (S-RECs) Costs associated with the retirement of RECs generated by solar sources.
- North American Renewables Registry (NAR) Administrative costs associated with registering RECs and S-RECs.
- Carrying Costs Financing charges applicable to renewable energy standard (RES) compliance costs based on the Company's short-term debt rate.
- St. Joseph Landfill Fuel and Non-Fuel O&M Expenses.

For the review period of January 1, 2023, through December 31, 2024, Staff did not find evidence that EMWs management of RES compliance costs was imprudent. The Commission finds Staff's report and recommendation regarding its prudence review of EMW's RESRAM to be reasonable. No party has requested a hearing or otherwise objected to Staff's recommendation. Therefore, the Commission will accept Staff's report.

#### THE COMMISSION ORDERS THAT:

- 1. Staff's Report regarding its prudence audit of the costs subject to Evergy Missouri West, Inc., d/b/a Evergy Missouri West's Renewable Energy Standard Rate Adjustment Mechanism is accepted.
  - 2. This order shall be effective on February 14, 2025.

#### BY THE COMMISSION

Nancy Dippell



Nancy Dippell Secretary

Ronald D. Pridgin, Deputy Chief Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri, on this 14<sup>th</sup> day of January, 2025.

#### STATE OF MISSOURI

#### OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 14<sup>th</sup> day of January 2025.

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Nancy Dippell Secretary

## MISSOURI PUBLIC SERVICE COMMISSION January 14, 2025

#### File/Case No. ER-2024-0189

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

Nancy Dippell Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.